

# Accelerated Reporting

How did we do?

# Accelerated Reporting

1. 2004 results
2. What did agencies do to meet the deadline?
3. How do agencies benefit from accelerated reporting?
4. Does everyone benefit from accelerated reporting?
5. What's the impact of even faster reporting in the future?
6. Other considerations
7. FY 2005 outlook

# 1. 2004 results

- Who met the 11/15 deadline?
- Opinions
- 2003 Restatements
- GAO's concern

# Who met the 11/15 deadline?

- 22 CFO Act agencies met the deadline
- DHS and DHHS missed the deadline

# Opinions

- 18 clean opinions
- 5 disclaimers
  - DoD
  - DHS
  - HUD
  - DOJ
  - NASA

# 2003 Restatements

- 10 agencies had to restate their 2003 statements to correct prior year errors (compared with 4 last year)
  - 2 lost their clean opinion for 2003 (DOJ and NRC)
  - 2 had restatements in both 2003 and 2002

# GAO's concern...

*A trend during fiscal year 2004 that merits concern and close scrutiny was the growing number of CFO Act agencies that restated certain of their financial statements for fiscal year 2003 to correct errors.*

*Frequent restatements to correct errors can undermine public trust and confidence in both the entity and all responsible parties.*

## 2. What did agencies do to meet the deadline?

Evaluated and improved the following processes:

- Financial analysis
- Reconciliations
- Reporting
- Communicating and collaborating with the auditors
- Communicating and collaborating with other federal agencies that provide government wide data to all agencies (e.g. OPM, Treasury and DOL)



### 3. How did agencies benefit from accelerated reporting?

- Streamlined financial reporting processes
- Improved financial accountability
- More accurate and reliable numbers
- Increased the level of effort to perform financial analyses
- Better communication and collaboration internally within the agencies and externally with stakeholders (e.g. other agencies, auditors, OMB, Treasury etc)

#### 4. Does everyone benefit from accelerated reporting?

Yes ...only if the data is accurate and the underlying financial challenges are still being addressed – material weaknesses and reportable conditions.

# GAO's concern...

*With accelerated reporting, which we support in concept, it is even more imperative that federal agency management continue to work toward fully resolving the pervasive and generally long-standing material weaknesses that have been reported at the agency level for the past 9 fiscal years.*

*Otherwise, federal agencies may risk incurring additional costs while at the same time sacrificing reliability to achieve accelerated reporting.*

## 5. What's the impact of even faster reporting in the future?

If accurate data is reported, then agency management can make more informed decisions.

## 6. Other initiatives...

- OMB Circular A-123 Revised
- GWA

# OMB Circular A-123 - What is it?

Addresses management's  
responsibility for Internal Control

# Management must:

Provide assurances on internal control in its Performance and Accountability Report (PAR)

This report includes:

- a separate assurance on internal control over financial reporting,
- a report on identified material weaknesses (MW) and corrective actions

# Specifically agencies must:

1. Develop & implement appropriate cost-effective internal control for results-oriented management;
2. Assess the adequacy of internal control in Federal programs and operations;
3. Separately assess and document internal control over financial reporting consistent with the process defined in appendix A;



# Specifically agencies must (cont'd)...

4. Identify needed improvements
5. Take corresponding corrective action; and
6. Report annually on internal control through management assurance statements (6/30 vs. 9/30)

# OMB Circular A-123 Revised

- Does this mean more work?
- Will this impact meeting the accelerated reporting deadline?

# Others ...

- GWA
- Financial system Implementations

## 7. FY 2005 outlook

- Will we make it?

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